

STATE OF NEW JERSEY  
Bureau of Securities  
P.O. Box 47029  
Newark, New Jersey 07101

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IN THE MATTER OF: :

ORDER

GRANDFATHER CLAUSE FOR INVESTMENT :  
ADVISER EXAMS :

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WHEREAS, the Chief of the New Jersey Bureau of Securities ("Bureau") is charged with the administration of the Uniform Securities Law (1997) ("Law"), N.J.S.A. §49:3-47 et seq., and the Regulations, N.J.A.C. § 13:47-1.1 et seq., promulgated under the Law;

WHEREAS, N.J.S.A. §49:3-67(a) provides, in part, that, "[t]he bureau chief may from time to time make, amend and rescind such rules, forms, and orders as are reasonably necessary to carry out the provisions of this law...";

WHEREAS, N.J.S.A. § 49:3-57(f)(1) states, "[t]he bureau chief may by rule provide for an examination which may be written or oral or both, to be taken by any class of or all applicants, as well as persons who represent or will represent an investment adviser in doing any of the acts which make him an investment adviser." Accordingly, the Bureau may opt not to require such examinations under certain circumstances;

WHEREAS, N.J.A.C. § 13:47A-4.2 sets out the examination requirements for agents and N.J.A.C. § 13:47A-4.4 sets out the examination requirements for investment adviser representatives;

WHEREAS, N.J.A.C. § 13:47A-4.4(c) states, "[f]or grandfathering purposes, the Bureau may consider other examinations as equivalent to the examinations required by this section",

WHEREAS, it is in the public interest and consistent with the protection of investors to grandfather certain individuals registered as of July 1, 2002 as agents of broker-dealers who act as investment adviser representatives and individuals acting in the capacity of an investment adviser representative and not require the grandfathered individuals to take the examinations set forth in N.J.A.C. § 13:47A-4.4.

THEREFORE IT IS on this 30th day of May 2002 HEREBY ORDERED that:

Pursuant to the authority of the bureau chief provided by N.J.S.A. § 49:3-57(f)(1) and N.J.S.A. §49:3-67(a), individuals who are registered as agents of broker-dealers who act as investment adviser representatives as of July 1, 2002 are hereby grandfathered and need not take the examinations required for investment adviser representative, except that any individual currently registered as an agent of a broker-dealer who has not acted as an investment adviser representative in any jurisdiction for a period of two (2) years, immediately preceding July 1, 2002, shall be required to comply with the examination requirements set forth in N.J.A.C. § 13:47A-4.4. The bureau chief may require an examination or examinations for any individual found to have violated any state or federal securities law.

Pursuant to the authority of the bureau chief provided by N.J.S.A. § 49:3-57(f)(1) and N.J.S.A. §49:3-67(a), individuals who are acting in the capacity of investment adviser representative in any jurisdiction as of July 1, 2002 are hereby grandfathered and need not take the examinations required for investment adviser representative, except that any individual who has not been acting in the capacity of investment adviser representative in any jurisdiction for a period of two (2) years, immediately preceding July 1, 2002, shall be required to comply with the examination requirements set forth in N.J.A.C. § 13:47A-4.4. The bureau chief may require an examination or examinations for any individual found to have violated any state or federal securities law.

Pursuant to the authority of the bureau chief provided by N.J.S.A. § 49:3-57(f)(1) and N.J.S.A. §49:3-67(a), for individuals who, as of July 1, 2002, are agents of broker-dealers who act as investment adviser representatives and individuals acting in the capacity of an investment adviser representative, but do not qualify for the above grandfather clause, the bureau chief hereby grants a six (6) month grace period in which to take and pass the investment adviser representative exam requirements. The exam requirements must be met by January 1, 2003.

This Order shall take effect immediately and shall remain in effect unless and until subsequently amended or rescinded by the bureau chief.

By: Franklin L. Widmann  
Franklin L. Widmann  
Chief, Bureau of Securities